

IN THE UNITED STATES PATENT & TRADEMARK OFFICE
APPLICATION FOR LETTERS PATENT

Title: Method for Providing Online Submission of Requests
for Proposals for Forwarding to Identified Vendors

Inventor: Cynthia Calonge

Assignee: Calonge & Associates, L.L.C.

1 **RELATION TO OTHER APPLICATIONS**

2 This application claims the benefit of U.S. Provisional
3 Patent Application Serial No. 60/164,084 filed November 6,
4 1999.

5 **BACKGROUND OF THE INVENTION**

6 1. **FIELD OF THE INVENTION**

7 The present invention relates generally to methods
8 associated with commercial transactions involving requests
9 for proposals and/or pricing and the receipt of proposals
10 and/or pricing from vendors. The present invention relates
11 more specifically to an online system for buyers to submit
12 requests for proposals to a multitude of identified and
13 selected vendors and to receive proposals in return from the
14 vendors.

15 2. **DESCRIPTION OF THE RELATED ART**

16 A well-established process for initiating commercial
17 transactions involves a potential buyer creating what is
18 known as a request for proposal or a request for pricing
19 (RFP) and identifying one or more potential vendors to direct
20 the request to. Traditionally, such procedures have involved
21 creating a written document (the RFP) and mailing the same to
22 any of a number of possible appropriate vendors who then
23 review the written document and prepare a proposal or price
24 quote in return. Such a proposal or price quote is typically

1 also a written document that is mailed back to the
2 prospective buyer, along with any information that might
3 influence the buyer's decision. The buyer may then wait a
4 period of time until a sufficient number of proposals have
5 been received to permit a decision to be made regarding the
6 transaction. Once the buyer has reviewed the various
7 proposals and the information provided by the vendors, a
8 choice is made with respect to a specific vendor and a
9 purchase order is issued.

10 This basic process, though well-established in the
11 commercial field, involves time-consuming efforts, not only
12 in the transmittal of documents back and forth between the
13 buyer and prospective vendors, but also in the process of
14 research and selection of the specific vendors to whom the
15 RFP is directed. A significant amount of time is involved in
16 reviewing materials, both prior to directing an RFP to a
17 potential vendor and further reviewing materials after a
18 proposal has been received. It is not unusual for the
19 process to take days, weeks, or even months when significant
20 quantities and costs of products are involved.

21 Some efforts have been made with the advent of
22 commercial transactions occurring over wide area computer
23 networks and the like to facilitate the process of
24 identifying and matching buyers with appropriate sellers of

1 goods and services. In most cases the effort in this area
2 has focused on providing online catalogs for vendors to
3 present their product information to prospective buyers. The
4 process whereby a buyer offers a request for proposal or
5 pricing is by its nature more difficult to implement in an
6 online environment.

7 While some success has been realized through vendors
8 offering their catalogs and a description of their services
9 online, the process relies completely on external search
10 engines or the like to direct a potential buyer to the
11 vendors' catalogs and services description. While many
12 search engines are capable of directing buyers to appropriate
13 potential vendors, the process remains time-consuming and
14 imperfect at best. The buyer must still ultimately review
15 one by one the vendors' catalogs or descriptions to determine
16 whether an appropriate match with the buyer's requirements
17 exists. In many respects, such an online system of catalogs
18 and the like merely shortens the amount of time it takes for
19 the buyer to acquire information from vendors, and does not
20 reduce the amount of time that the buyer is required to
21 review the material received from the vendors.

22 Online commercial transactions have developed rapidly
23 over the last five years and have created many new approaches
24 to putting together buyers and sellers. An example of one

1 such new approach involves a type of reverse auction
2 arrangement whereby a buyer identifies a particular product
3 or service desired and the price he or she is willing to pay.
4 Prospective sellers may then review these bids and determine
5 whether any such bids are appropriate for matching with an
6 offer for goods or services. Other online transactional
7 methods have been described in a number of recent patents.
8 These include the following:

9 U.S. Patent No. 4,799,156 entitled Interactive Market
10 Management System issued to **Shavit, et al** on January 17,
11 1989. This patent describes a system for interactive online
12 electronic communications and processing of business
13 transactions between a plurality of different users,
14 including sellers and buyers as well as financial
15 institutions and freight service providers.

16 U.S. Patent No. 5,758,327 entitled Electronic
17 Requisition and Authorization Process issued to **Gardner, et**
18 **al.** on May 26, 1998. This patent describes a method of
19 electronic requisition processing that includes storing
20 company-specific requisition rules and an electronic catalog
21 on a central computer system. A requestor at one of the
22 companies may identify one or more items to be ordered,
23 followed by authorization of the purchase of a number of

1 items. Purchase orders are generated and transmitted to
2 vendors electronically.

3 U.S. Patent No. 5,970,475 entitled Electronic
4 Procurement System and Method for Trading Partners issued to
5 **Barnes, et al.** on October 18, 1999. This patent describes an
6 electronic commerce system that enables corporate purchasers
7 and suppliers to electronically transact for the purchase and
8 supply of goods and services. An automated clearinghouse
9 server is used to interface the various components of the
10 system.

11 U.S. Patent No. 5,592,375 entitled Computer-Assisted
12 Systems for Interactively Brokering Goods or Services Between
13 Buyers and Sellers issued to **Salmon, et al.** on January 7,
14 1997. This patent describes a computer-implemented system
15 for brokering transactions between sellers and a buyer of
16 goods or services that includes databases which contain
17 information descriptive of the company's goods or services.
18 The buyer's interface provides a knowledge-based, interactive
19 protocol that enables the buyer to select and review the
20 descriptive information from the seller's database.

21 U.S. Patent No. 5,694,551 entitled Computer Integration
22 Network for Channeling Customer Orders Through a Centralized
23 Computer to Various Suppliers issued to **Doyle, et al.** on
24 December 2, 1997. This patent describes an electronic

1 requisitioning system for channeling customer requisition
2 orders to internal suppliers and to outside vendors. The
3 customers access electronic item catalogs and the requisition
4 form to place the order, which is transmitted to a central
5 computer system. Requisitions are segregated by supplier and
6 sent as purchase orders directly.

7 Most of the above systems fall short of methods that
8 would involve the issuance of requests for proposals and/or
9 pricing and require the buyer to specifically identify the
10 vendors to which an authorized purchase order or purchase
11 request is directed. It would be desirable to have a system
12 whereby a prospective buyer could direct a request for
13 proposal to an automatically selected group of appropriate
14 potential vendors without the need for significant review of
15 the materials and information provided by the vendors. It
16 would be desirable if a prospective buyer could complete and
17 define a single RFP document and transmit the document to a
18 system that would automatically identify appropriate vendors
19 in a database and thereafter automatically forward the RFP
20 document to the vendors for review and response. It would be
21 desirable if the vendors could choose to transmit responses
22 for review and consideration to the prospective buyer,
23 typically by email protocols or by sending their responses
24 back through the system which could then receive responses

1 and proposals from the selected vendors and which in turn may
2 be transmitted to the prospective buyer for review and
3 consideration.

2025 RELEASE UNDER E.O. 14176

1 price quote responses from the vendors to the prospective
2 buyer for consideration.

3 It is a further object of the present invention to
4 provide an online RFP submission and response system and
5 method that permits the prospective buyer to automatically or
6 "manually" select multiple vendors to which the RFP is to be
7 directed.

8 It is a further object of the present invention to
9 provide an online RFP submission and response system and
10 method that permits the buyer to select a group of potential
11 appropriate vendors by means of subject matter categories
12 contained with the database of vendor information.

13 It is a further object of the present invention to
14 provide an online RFP submission and response system and
15 method that permits the prospective buyer to select multiple
16 vendors that may be appropriate for receipt of the RFP by
17 scanning one at a time a compiled database of vendor
18 information.

19 In fulfillment of these and other objectives, the
20 present invention provides an online system and method for
21 allowing a prospective buyer to complete an electronic RFP
22 document and to have the RFP document transmitted to one or
23 more appropriate prospective sellers of goods and services.
24 The system and method provide the prospective buyer with the

1 option of automatically identifying potentially appropriate
2 sellers by means of key word searches in a compiled database
3 of vendor information and product and services descriptions.
4 The prospective buyer may also elect to review the database
5 contents "manually" by means of selecting specific subject
6 matter areas or incrementally reviewing a list of database
7 vendors one at a time. The system directs the buyer's RFP to
8 the selected vendors for review and consideration. This
9 transmission is made electronically, typically by email
10 protocols, for review by appropriate personnel at the
11 selected vendor's business. Such review is carried out by an
12 individual or automatically by the vendor's own system which
13 identifies the appropriateness of the match with its range of
14 offered goods and services. A proposal or price quote is
15 then transmitted electronically back through the system to
16 the prospective buyer for consideration, again typically by
17 email protocols. The buyer may then review the various
18 proposals and price quotes it receives back for consideration
19 and may select an appropriate vendor with which to carry out
20 the commercial transaction. Other objects of the present
21 invention will become clear after a reading of the following
22 description and a consideration of the flow chart drawings
23 attached hereto.

BRIEF DESCRIPTION OF THE DRAWINGS

FIG. 1 is a flow chart diagram showing the steps of the present invention related to directing a defined RFP to selected vendors.

FIG. 2 is a flow chart diagram showing the steps of the method of the present invention associated with specifying a proposal and transmitting it to the prospective buyer.

FIG. 3 is a schematic block diagram showing the primary computer and database components associated with a system appropriate for carrying out the method of the present invention.

DESCRIPTION OF THE PREFERRED EMBODIMENT

Reference is made first to FIG. 1 for a brief description of the initial steps in the method of the present invention associated with a prospective buyer creating an RFP and selecting the appropriate vendors to which the RFP should be directed. In FIG. 1, method (10) is defined in a sequence of steps as indicated. Initially, the system must assemble the relevant information required to carry out the overall process of the method by compiling a vendor list with associated products and services descriptions at step (12). This vendor list, in addition to containing relevant contact information about each vendor, more importantly contains

1 identifying information describing the goods and services
2 offered by the vendor. In addition, in the preferred
3 embodiment of the present invention, the database of vendor
4 information would contain examples of the vendor's past
5 efforts at fulfilling requests for proposals and its ability
6 to match its products and services to specific requirements.
7 The information may be as simple as a list of products
8 offered or may be as complex as lengthy descriptions
9 associated with past contracts and commercial transactions
10 carried out by the vendor.

11 In any case, the vendor database must contain sufficient
12 information to permit an appropriately organized search
13 engine to identify and match a buyer's request with the goods
14 and services offered by the potential vendor. While an offer
15 of goods may be easy to define in terms of product
16 specifications and the like, an offer of services may require
17 a more complex description and a consideration of a variety
18 of potential buyers' requirements.

19 Once a vendor information database is compiled at step
20 (12), a potential buyer, at step (14), is invited to specify
21 and input its needs. This step (14) essentially amounts to
22 defining the RFP document that is to be submitted to the
23 prospective vendors once they are selected. The format of
24 the RFP document may have the appearance of standard RFP

1 documents used in the industry but would of course be
2 implemented in an online environment and electronically input
3 into the system. Typically the prospective buyer would
4 access a network terminal where it may review a form
5 appropriate for the entry of information necessary to create
6 the RFP document. Such a form would spell out the specific
7 goods or services required and would identify any of a number
8 of other relevant factors, such as delivery dates,
9 quantities, product specifications, tolerances, duration of
10 services, locations of delivery, forms of delivery, and other
11 information that may be relevant to the establishment of a
12 thorough and complete proposal or pricing response.

13 The buyer then, at step (16), determines whether or not
14 to carry out an automatic search of the vendor database to
15 select appropriate vendors to receive the RFP or to carry out
16 a manual search of the same database. If an auto search is
17 selected, then the process proceeds at step (20) to carry out
18 a search of the vendor list with the products and services
19 identified by key words and descriptive elements. The search
20 is carried out by appropriately correlating and matching key
21 words in the RFP with key words or descriptive elements in
22 the vendor database. Such search engines are well-known in
23 the art and have varying levels of accuracy, most of which

1 are suitable for the degree of selectivity required by the
2 method of the present invention.

3 If the prospective buyer chooses to manually select the
4 vendors to which the RFP is to be directed, the system at
5 step (18) may display the complete vendor list.
6 Alternatively, the prospective buyer may select a subset of
7 the complete vendor list by identifying a subject area that
8 it is interested in. A variety of levels and subsets of the
9 vendor list may be identified by the prospective buyer of the
10 mechanism for reducing the number of vendors in the list that
11 it will manually review.

12 In the process whereby the system carries out an
13 automatic search of the vendor list, correlating and
14 identifying appropriate matches between the RFP and the
15 vendor information compiled, search results are constructed
16 into a compiled list of vendor matches at step (22). The
17 prospective buyer then, at step (24), determines whether to
18 automatically email its RFP to the complete list of vendors
19 compiled and selected according the results of the automatic
20 searching function carried out in step (20). If the
21 prospective buyer prefers to review the compiled list of
22 vendor matches, the system proceeds at step (26) to display
23 the matched vendor list for the buyer's review. At step (28)
24 the buyer then selects the vendors it determines should

1 receive the RFP based upon the information provided it and
2 displayed at step (26) in the matched vendor list. This
3 information could contain nothing more than the name of the
4 vendors, or it more preferably would contain the names of the
5 vendor with sufficient additional information to allow the
6 buyer to confirm the appropriateness of the selection made.
7 Clearly, one objective of the present invention is to reduce
8 the amount of time that the buyer must review information
9 provided by the prospective vendors, and therefore this step
10 (28) of selecting vendors to retrieve the RFP is based in
11 part upon buyer confidence in the search mechanism carried
12 out at step (20).

13 Step (28) of selecting vendors to receive the RFP also
14 follows from step (18) in the manual search process whereby
15 the prospective buyer has reviewed the displayed complete
16 vendor list or the list reduced according to subject matter.
17 In either sequence of steps, the prospective buyer has the
18 final say about which vendors are to receive the RFP by means
19 of identifying such vendors on the display screen at its
20 interactive terminal.

21 Finally, at step (30) the system forwards the defined
22 RFP to the multiple selected vendors. This final step occurs
23 after step (28) when the buyer specifically selects the
24 vendors to receive the RFP, or immediately after step (24)

1 specifying its response to the RFP at step (42). As
2 indicated above, various mechanisms for constructing an
3 appropriate response to the RFP are contemplated and not
4 considered part of the present invention. These methods
5 include traditional methods for reviewing and constructing
6 proposals in response to RFPs as well as electronic database
7 methods whereby an automatic system of generating proposals
8 in response to specific types of RFPs is implemented.

9 In either case, the prospective vendor specifies its
10 response to the RFP at step (42) and thereafter identifies
11 the customer contact information at step (44), which
12 information is typically contained within the RFP. The
13 system then allows the prospective vendor to forward,
14 preferably by email protocol, its proposal or pricing
15 information to the prospective buyer at step (46).
16 Alternatively, the vendor response may be transmitted through
17 the server of the system of the present invention, and may be
18 accessed by the buyer through a login procedure at the
19 network website of the server. In either case, the
20 prospective buyer then receives the information
21 (proposal/pricing) at step (48), wherein it is displayed as
22 the vendor proposal correlated to the requirements of the
23 RFP. The prospective buyer is then in a position to select

1 an appropriate vendor to receive its purchase order at step
2 (50).

3 As a final and optional step of the method of the
4 present invention, the system provides the ability at step
5 (52) for the buyer to forward, again by email protocol, a
6 compiled purchase order to the selected vendor according to
7 the terms of the proposal provided by the vendor. In an
8 alternative embodiment, the prospective buyer may repeat the
9 entire process of the present invention, modifying its RFP
10 document to more specifically address the ability of the
11 selected vendor to provide the goods or services requested.
12 In other words, a negotiating process can be carried out
13 whereby the prospective buyer progressively identifies
14 potential vendors by receiving proposals and price quotes
15 from them and then resubmitting RFPs that might modify or
16 refine the proposals and pricing. The end result is
17 anticipated to be the issuance of a purchase order by the
18 buyer directed to one or more selected and identified
19 vendors.

20 Reference is finally made to FIG. 3 for a brief
21 description of the essential computer network and database
22 components necessary to carry out the method of the present
23 invention. The system (60) comprises four primary elements.
24 A buyer terminal (62) is connected by means of a wide area

1 public computer network system (70) to a system
2 server/database (72). Likewise, a plurality of seller
3 businesses are connected to the wide area public network
4 system (70) at terminals (64), (66), and (68).
5 Server/database (72) comprises the compiled information on
6 the various vendors or sellers in a database that is
7 searchable according to standard descriptive element and key
8 word searching methods. Server/database (72) may also
9 contain buyer profiles appropriate for the sellers to review
10 in conjunction with responding to submitted RFPs.

11 As can well be understood by those skilled in the art,
12 the system described in FIG. 3 is easily implemented on
13 existing wide area public or accessible computer networks
14 that implement well-established protocols for the
15 transmission of information and data back and forth between
16 various terminal locations. Implementation of the methods of
17 the present invention as defined above is consistent with the
18 established protocols for the transmission of information
19 back and forth across such a wide area computer network.

20 While the present invention has been described in
21 relation to specific embodiments thereof, many other
22 variations, modifications, and other uses of the method of
23 the present invention will become apparent to those skilled
24 in the art. It is intended that the present invention not be

